Low-paid workers: How many live in low-income families?

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Low-wage jobs are a perennial topic of interest for labour market and social analysts. Almost two million Canadians, aged 20 or older, work for less than $10 an hour, with about one-third being the only wage earner in the family (Maxwell 2002).

Simply being employed is no longer enough to exempt a person from economic and social risks. Low-wage workers are less likely to have access to non-wage benefits such as pension plans, supplemental health insurance, and dental plans. Furthermore, low-wage jobs are more likely to be temporary or part-time and less likely to be unionized. Jobs with no certainty of continuing, with less input into working conditions, less regulatory protection, and low wages have been termed 'precarious' (Rodgers 1989).

The primary question, however, is whether low wages represent a serious impediment to an individual's quality of life. Changes in economic family structure over the years have meant that fewer families have only one breadwinner, and as women's employment rate has increased, more families have multiple and secondary earners. On the other hand, the number of lone-parent families has increased, and a single minimum-wage job in these circumstances may not be economically sufficient.[1] Using the census, this article explores which groups of individuals were at risk of being low-wage earners in 2000, what proportion of them lived in low-income families, and how the situation changed between 1980 and 2000.

Those more likely to have low weekly earnings

In 2000, about 1.7 million Canadians were in low-paid, full-time jobs, representing 16% of all full-time employees—only a slight (1%) increase from two decades earlier (see *Distribution of wage earners in Canada*). Although the overall proportion did not change much, some groups saw their propensity to have low earnings increase substantially (Table 1).

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Distribution of wage earners in Canada

	Full-time employees	Low-paid workers	
		Total	In low income
		'000	
Total	**10,270**	**1,675**	**502**
Sex		%	
Men	56.9	42.3	51.3
Women	43.1	57.7	48.7
Education			
Less than high school	18.7	30.2	32.1
High school diploma	25.6	32.5	30.2
Postsecondary certificate	35.7	29.4	28.8
University degree	20.0	8.0	8.8
Age			
15 to 24	8.2	22.6	20.8
25 to 34	24.0	24.0	26.3
35 to 44	31.4	25.1	27.9
45 to 54	26.2	19.2	17.6
55 to 64	10.2	9.0	7.5
Immigrant status			
Recent	3.0	5.0	7.2
Mid-term	6.0	8.2	10.7
Long-term	11.4	8.8	8.6
Canadian-born	79.7	78.1	73.4
Visible minority			
Yes	12.1	15.7	20.6
No	87.9	84.3	79.4
Canadian-born			
Visible minority	1.5	1.6	1.6
Non visible minority	78.2	76.5	71.8
Recent immigrant			
Visible minority	2.1	4.0	5.8
Non visible minority	0.9	1.0	1.5
Mid-term immigrant			
Visible minority	4.2	6.4	8.8
Non visible minority	1.8	1.9	1.9
Long-term immigrant			
Visible minority	4.3	3.8	4.4
Non visible minority	7.1	4.9	4.2
Family status			
Married/common law	68.3	56.3	41.0
Lone fathers	1.4	0.9	1.6
Lone mothers	4.4	6.2	11.6
Living with relatives	1.9	3.3	2.3
Unattached individuals	4.6	6.5	17.0
Less than 40	3.4	5.2	13.9
40 and over	1.2	1.3	3.1
Living alone	10.6	8.7	20.4
Unmarried, living with parents	9.0	18.1	6.2
Disabled			
Yes	9.1	11.1	12.6
No	90.9	88.9	87.4

Source: Census of Population, 2001

Table 1: Proportion of wage earners who were low-paid workers

	Men		Women	
	1980	2000	1980	2000
	%			
Total	**9.0**	**12.1**	**26.1**	**21.9**
Education				
Less than high school	12.5	19.0	38.6	39.2
High school diploma	10.0	15.6	26.0	27.0
Postsecondary certificate	6.4	9.2	19.5	19.0
University degree	3.6	5.4	7.6	7.8
Age				
15 to 24	23.9	39.9	39.7	52.4
25 to 34	6.6	12.2	19.9	21.5
35 to 44	4.7	8.5	21.8	19.0
45 to 54	5.1	8.0	23.4	17.1
55 to 64	6.8	10.5	24.4	20.9
Immigrant status				
Recent	12.1	20.5	36.4	36.4
Mid-term	7.6	17.4	24.6	28.4
Long-term	5.2	9.3	21.4	16.8
Canadian-born	9.5	11.8	26.4	21.5
Visible minority				
Yes	10.1	17.2	26.1	26.0
No	8.9	11.5	26.1	21.3
Canadian-born				
Visible minority	10.2	16.6	19.3	17.7
Non visible minority	9.5	11.8	26.4	21.6
Recent immigrant				
Visible minority	15.9	23.8	38.7	40.1
Non visible minority	8.0	13.0	33.2	26.8
Mid-term immigrant				
Visible minority	7.7	19.7	21.6	30.7
Non visible minority	7.5	12.3	26.6	22.8
Long-term immigrant				
Visible minority	6.8	11.6	19.3	17.8
Non visible minority	5.1	8.0	21.5	16.1
Family status				
Married/common law	5.1	8.4	25.1	20.5
Lone fathers	7.0	10.7	...	...
Lone mothers	...	...	23.6	23.3
Living with relatives	18.9	26.3	28.3	31.0
Unattached individuals	16.7	20.0	30.9	28.4
Less than 40	16.3	22.2	31.3	30.7
40 and over	18.6	13.5	28.8	22.5
Living alone	9.6	12.2	15.9	15.1
Unmarried, living with parents	27.4	31.1	41.0	36.7
Disabled				
Yes	..	15.1	..	26.3
No	..	11.8	..	21.4

Source: Census of Population, 1981 and 2001
Shading indicates difference is not significant at the 5% level.

Women

Women employees were almost twice as likely as men to have low weekly earnings (Chart A).[2] One explanation may be that women are more likely to be in low-paying occupations (Drolet 2001a, 2001b). Traditional occupations for women, such as clerical, sales and service, yield lower earnings on average than others (Statistics Canada 2003). Women also average fewer years of experience since they are more likely to take time off for family-related reasons. However, with the narrowing of the earnings gap between men and women (Drolet 2001a), the proportion of low-paid women decreased from 26% to 22% between 1980 and 2000.

On the other hand, the percentage of low-paid men increased over this time from 9% to 12%—largely because of a drop in the real wages of young men during the 1980s in most industries and occupations (Morissette 1998). Another factor is the increase in men entering jobs that have traditionally been dominated by women—teaching, service, clerical and some manufacturing occupations (Hughes 1990). Although men in these occupations still earn more than women, they earn less than the average male employee.[3]

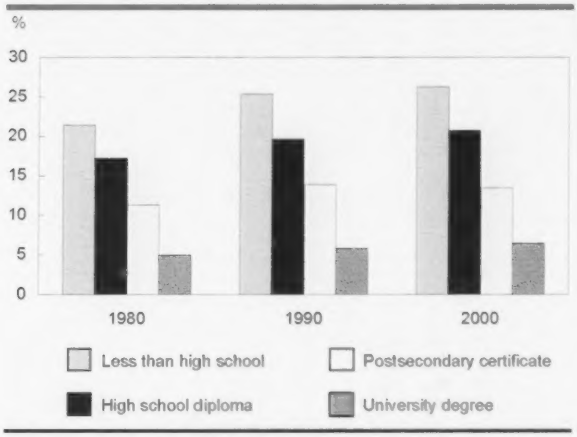
Chart A: The proportions of low-paid men and women have been converging.

Source: Census of Population, 1981 to 2001

The less educated

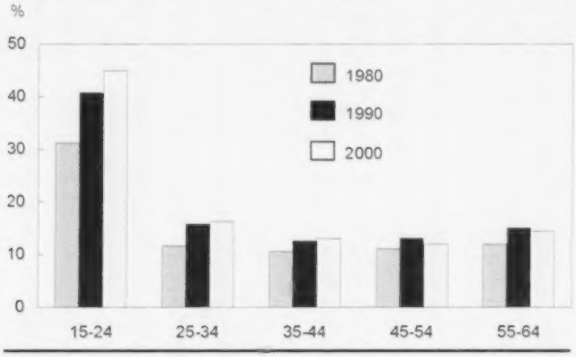
Individuals with less than high school education had a higher incidence of low pay than those with higher levels of educational attainment (Chart B).[4] This pattern held for both men and women. About 1 in 4 employees with less than high school education had

Chart B: Regardless of education, the proportion of low-paid workers has increased.



Source: Census of Population, 1981 to 2001

Chart C: The proportion of low-paid workers under 25 has jumped since 1980.



Source: Census of Population, 1981 to 2001

low weekly earnings in 2000, unchanged between 1980 and 2000, although the probability of being a low-wage earner increased for men in each education category.

Women were more likely than men to be in low-paid jobs, even with the same educational attainment. In 2000, the proportion of women with less than high school education who were low-paid workers was twice that of men (39% and 19% respectively). The gap decreased with level of education. While men with less than high school were more likely to be low-paid in 2000 than 20 years earlier, the percentage for women changed very little.

The young

The probability of having low weekly earnings in 2000 was highest among young employees (aged 15 to 24) at 45% (Chart C). The rate declined sharply until age 55, after which it increased slightly. This is to be expected since the labour market tends to reward both experience and job tenure. Moreover, many young workers are concentrated in relatively low-wage industries such as consumer services. The same pattern was evident in 1980, although the proportion of low-wage earners was lower (31% for young workers in 1980 compared with 45% in 2000). The rise in women's employment rate may have affected young workers. Increased competition has meant that jobs they once held (for example, in services or sales) are being filled by women, and more youths than before may find themselves with low earnings (Sunter 1994). Once again, in all age groups, higher proportions of women than men were low-paid workers. However, while the risk of having low weekly earnings increased between 1980 and 2000 for men in all age groups, it decreased for women who were 35 or older.

Immigrants

In 2000, recent and mid-term immigrants were more at risk of having low weekly earnings than immigrants who had been in Canada for more than 15 years or those who were Canadian-born. This may be related to the adjustment phase that newcomers experience. The likelihood of having low weekly earnings increased between 1980 and 2000 for immigrants, perhaps because of a shift in national origin from Europe and the United States to less developed countries (Borjas 1991; Picot 2004). The latter immigrants receive less credit for foreign experience and may face greater difficulties having their skills or credentials recognized (Picot and Hou 2003). While the risk of having low weekly earnings rose for male immigrants[5] and for mid-term female immigrants, it fell for long-term female immigrants.

Visible minorities

Visible minorities born in Canada were similar to their non-visible-minority counterparts—a difference of only one percentage point in the proportion with low weekly earnings.[6] A greater gap was found between visible-minority and non-visible-minority immigrants

(Hum and Simpson 1998). The greatest difference was seen among recent immigrants (31% for visible minorities and 19% for non-visible minorities) and decreased with time spent in Canada.[7]

Recent and mid-term visible-minority immigrants saw their risk of low weekly earnings rise between 1980 and 2000.[8] The likelihood rose for recent and mid-term, non-visible-minority immigrant men but fell for women.

Individuals with work limitations

Individuals limited at work because of a physical, mental or health condition were more likely to have low weekly earnings than those without limitations. Whether their chances of having low weekly earnings fell between 1980 and 2000 cannot be assessed since the census question regarding work limitation changed.[9]

Individuals living with relatives

Individuals living with relatives but not part of a census family have a high risk of low weekly earnings (Chart D). The incidence of low-paid workers among this group increased—from 23% in 1980 to 28% in 2000.[10] Whether these arrangements are born out of need or familial responsibility cannot be assessed with these data.

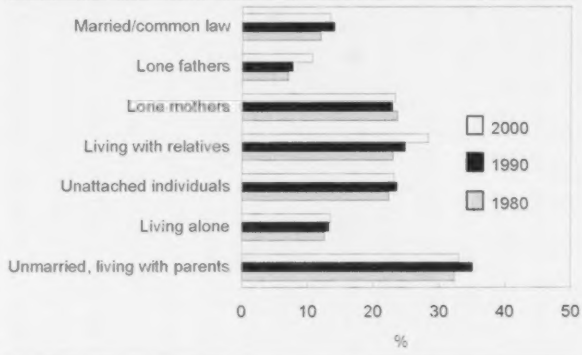
Lone mothers

Almost 1 in 4 lone mothers working as an employee in 2000 had low weekly earnings (23%). Because they require flexible hours for taking children to school or child-care centres, lone mothers may find their job prospects restricted. They also tend to choose occupations and industries that are easy to enter and exit, such as consumer services where wages are generally lower.[11] Also, given the strain of raising children on their own, lone mothers are often less healthy than mothers with spouses (Pérez and Beaudet 1999). This could also deter them from working in high-pay, stressful environments.

Unattached individuals

Unattached individuals were also vulnerable to having low weekly earnings—those under 40 more so than those older (25% and 17% respectively). While unattached women were more likely to receive low pay than their male counterparts, the proportion fell between 1980 and 2000, especially among women 40 or older. Among unattached men, the risk of low weekly earnings rose for those under 40 while falling for those older.

Chart D: Individuals living with relatives had the largest proportional increase of low-paid workers.



Source: Census of Population, 1981 to 2001

Low-paid workers living in low-income families

Those most financially constrained by low-paid jobs are living in low-income families. Of the 1.7 million full-time workers receiving low weekly earnings, 30% lived in families with low income in 2000—unchanged from 1980 (Table 2).[12]

Unattached or living alone

For most groups of low-paid workers, the risk of being in low income is not much greater than for other groups. However, some are more vulnerable than others. Over three-quarters of unattached individuals and over two-thirds of those living alone with low weekly earnings in 2000 were living in low-income households (Chart E). In the case of these two groups, individual income is equivalent to family income, and not having live-in economic partners makes them financially insecure. Nevertheless, their risk of living in low income decreased between 1980 and 2000, the proportion falling by 3 percentage points for individuals living alone and 5 points for unattached individuals. In particular, low-paid unattached women aged 40 or older saw their low-income propensity decrease by 10 percentage points, from 79% to 69%.

Lone parents

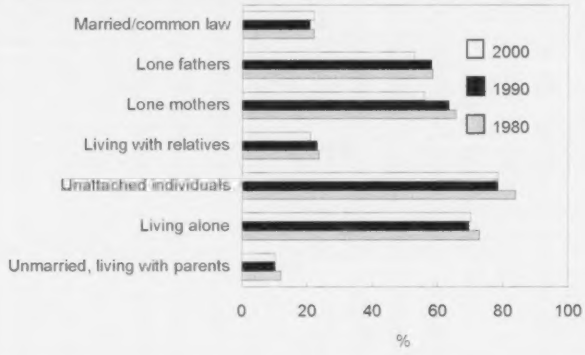
Lone parents with low weekly earnings are also at risk of being in low income. In 2000, 56% of low-paid lone mothers and 53% of lone fathers also had low family income. These individuals were predominately

Table 2: Proportion of low-paid workers in low-income families

	Men		Women	
	1980	2000	1980	2000
	%			
Total	**39.3**	**36.4**	**24.1**	**25.3**
Education				
Less than high school	40.4	38.1	24.4	26.7
High school diploma	32.3	33.9	22.4	23.6
Postsecondary certificate	40.5	36.4	24.1	25.0
University degree	48.0	39.1	33.3	28.7
Age				
15 to 24	29.0	27.0	26.8	28.2
25 to 34	48.9	40.1	26.2	27.7
35 to 44	57.7	45.8	20.6	26.1
45 to 54	46.6	38.2	17.8	21.0
55 to 64	36.7	30.4	22.3	20.3
Immigrant status				
Recent	53.5	54.0	30.9	36.3
Mid-term	49.4	45.9	25.9	34.3
Long-term	44.6	37.8	18.9	23.7
Canadian-born	37.6	34.1	24.1	23.9
Visible minority				
Yes	51.9	45.1	35.1	35.0
No	38.6	34.7	23.5	23.6
Canadian-born				
Visible minority	32.5	33.2	27.8	29.3
Non visible minority	37.7	34.2	24.1	23.8
Recent immigrant				
Visible minority	57.2	52.5	36.7	37.3
Non visible minority	45.5	59.8	21.3	32.3
Mid-term immigrant				
Visible minority	53.6	46.9	35.5	37.5
Non visible minority	47.2	42.4	21.0	23.2
Long-term immigrant				
Visible minority	40.8	40.4	29.5	30.4
Non visible minority	44.8	35.7	18.4	18.7
Family status				
Married/common law	47.1	35.9	12.1	13.9
Lone fathers	58.4	52.6	...	...
Lone mothers	...	...	65.5	55.9
Living with relatives	23.8	21.8	23.3	19.8
Unattached individuals	82.1	78.0	85.2	78.8
Less than 40	82.7	78.5	86.4	81.9
40 and over	79.5	75.7	78.6	68.5
Living alone	77.5	72.4	69.5	67.5
Unmarried, living with parents	12.8	10.8	11.0	9.2
Disabled				
Yes	..	39.9	..	29.7
No	..	36.0	..	24.8

Source: Census of Population, 1981 and 2001
Shading indicates difference is not significant at the 5% level.

Chart E: The proportion of low-paid workers living in low-income families decreased for most family types.



Source: Census of Population, 1981 to 2001

sole earners. In contrast, only 14% of low-paid married women had low family income. Lone mothers, however, were less likely to be in this situation in 2000 than in 1980.[13]

Men

While the incidence of living in low income rose slightly among low-paid women, it decreased three percentage points among men—from 39% to 36%. Although female full-time employees have a higher risk than their male counterparts of making low weekly earnings, low-paid men are more at risk of being in a low-income family. In 2000, the proportion of men with low weekly earnings in low-income families (36%) exceeded the rate for women (25%). In particular, almost half of middle-aged men (age 35 to 44) with low-paid jobs lived in low-income families, compared with 26% of their female counterparts. This suggests that, in this age group, more low-paid women than men live with family members (for example, a spouse) who can compensate for their low earnings.

Recent immigrants

The proportion of visible-minority recent immigrants who were low-paid and living in low income did not change significantly between 1980 and 2000. However, this was not the case for other recent immigrants—for men the risk jumped from 46% to 60% and for women from 21% to 32%.[14] In contrast, it decreased

among their Canadian-born counterparts. More than half of recent immigrant men in low-paid jobs lived in low-income families in 2000—53% of visible minorities and 60% of others.

Employees working full time for low pay and living in a low-income family

In 2000, 5% of all full-time employees had low earnings *and* lived in low-income families (Table 3). However, this average again masks substantial differences across groups. For instance, more than 22% of unattached women employed full time had low weekly earnings and lived in low income, compared with 16% of unattached men. The proportion for lone mothers was 13% compared with less than half that for lone fathers. Recent and mid-term immigrants, particularly visible minorities, were also more likely to live in low-income families and to have low-paid jobs.

The overall proportion of low-paid employees living in low-income families was virtually static between 1980 and 2000. However, this does not mean that the individuals remained the same. In fact, younger workers, recent and mid-term immigrants (especially visible-minority immigrant men), and unattached men under 40 saw their chances of having low pay and low family income rise. In contrast, low-paid unattached women saw theirs decrease.

Despite their unchanged proportion, low-paid employees saw their average weekly earnings fall between 1980 and 2000. In fact, while average weekly earnings of full-time employees rose by 11% from $785 in 1980 to $868 in 2000 (Table 4), those of low-paid workers dropped from $251 to $231 (-8%). For low-paid workers in low-income families, they dropped even more—from $211 to $175 (-17%, Table 5). Thus, despite no increase in the incidence of low-paid workers in low-income families, these individuals seemed to be worse off than before.

Average weekly earnings fell among most low-paid employees. Some were affected more than others. Individuals with less than high school education saw theirs fall by 9%. Low-paid immigrant women experienced a larger drop than immigrant men—even though the likelihood of being a low-paid worker increased more for these men. And visible-minority women saw a greater decrease than their non-visible minority counterparts. Although single mothers saw theirs fall by the same proportion as married women (8%), the earnings of single fathers dropped almost 3 percentage points more than married men.

Table 3: Proportion of wage earners who were low-paid and lived in low-income families

	Men		Women	
	1980	2000	1980	2000
	%			
Total	**3.5**	**4.4**	**6.3**	**5.5**
Education				
Less than high school	5.0	7.2	9.4	10.5
High school diploma	3.2	5.3	5.8	6.4
Postsecondary certificate	2.6	3.3	4.7	4.7
University degree	1.7	2.1	2.5	2.2
Age				
15 to 24	6.9	10.7	10.7	14.7
25 to 34	3.2	4.9	5.2	6.6
35 to 44	2.7	3.9	4.5	4.9
45 to 54	2.4	3.1	4.2	3.6
55 to 64	2.5	3.2	5.4	4.3
Immigrant status				
Recent	6.5	11.1	11.2	13.2
Mid-term	3.7	8.0	6.4	9.7
Long-term	2.3	3.5	4.0	4.0
Canadian-born	3.6	4.0	6.4	5.1
Visible minority				
Yes	5.2	7.7	9.2	9.1
No	3.4	4.0	6.1	5.0
Canadian-born				
Visible minority	3.3	5.5	5.4	5.2
Non visible minority	3.6	4.0	6.4	5.1
Recent immigrant				
Visible minority	9.1	12.5	14.2	14.9
Non visible minority	3.6	7.8	7.1	8.7
Mid-term immigrant				
Visible minority	4.1	9.2	7.7	11.5
Non visible minority	3.6	5.2	5.6	5.3
Long-term immigrant				
Visible minority	2.8	4.7	5.7	5.4
Non visible minority	2.3	2.8	4.0	3.0
Family status				
Married/common law	2.4	3.0	3.0	2.9
Lone fathers	4.1	5.6	...	...
Lone mothers	...	...	15.4	13.0
Living with relatives	4.5	5.7	6.6	6.2
Unattached individuals	13.7	15.6	26.3	22.4
Less than 40	13.5	17.4	27.0	25.2
40 and over	14.8	10.2	22.6	15.4
Living alone	7.4	8.9	11.0	10.2
Unmarried, living with parents	3.5	3.4	4.5	3.4
Disabled				
Yes	..	6.0	..	7.8
No	..	4.3	..	5.3

Source: Census of Population, 1981 and 2001
Shading indicates difference is not significant at the 5% level.

Table 4: Average weekly earnings of full-time wage earners who were low-paid

	Men		Women	
	1980	2000	1980	2000
		$		
Total wage earners	**911**	**988**	**575**	**709**
Total low-paid workers	**241**	**222**	**257**	**238**
Education				
Less than high school	240	218	253	232
High school diploma	253	229	262	238
Postsecondary certificate	237	220	261	244
University degree	227	222	241	234
Age				
15 to 24	256	236	257	234
25 to 34	232	228	255	242
35 to 44	218	212	257	238
45 to 54	225	210	259	238
55 to 64	238	214	255	235
Immigrant status				
Recent	243	227	266	241
Mid-term	225	219	262	233
Long-term	217	207	262	236
Canadian-born	244	224	255	239
Visible minority				
Yes	240	221	265	234
No	241	222	256	239
Canadian-born				
Visible minority	251	220	259	229
Non visible minority	244	224	255	239
Recent immigrant				
Visible minority	247	231	269	240
Non visible minority	234	213	263	243
Mid-term immigrant				
Visible minority	230	221	261	230
Non visible minority	223	212	262	240
Long-term immigrant				
Visible minority	243	213	276	235
Non visible minority	215	203	262	238
Family status				
Married/common law	229	214	260	241
Lone fathers	226	205	...	...
Lone mothers	...	...	250	231
Living with relatives	250	228	253	235
Unattached individuals	238	232	237	239
Less than 40	240	234	239	239
40 and over	230	223	223	238
Living alone	234	221	255	235
Unmarried, living with parents	256	235	257	232
Disabled				
Yes	..	213	..	227
No	..	223	..	239

Source: Census of Population, 1981 and 2001
Shading indicates difference is not significant at the 5% level.

Data source and definitions

The study used the 1981 to 2001 Censuses. Deriving hourly wages from census data is difficult because weekly hours of work refer to the week previous to the census (usually in May or June) while annual earnings and weeks worked refer to the previous year.

To overcome this difficulty, only individuals who worked mainly full time in the year prior to the census were selected. Their annual earnings were divided by the number of weeks they worked to calculate weekly earnings. Low pay was defined as less than $375 weekly in 2000 dollars (using province-specific deflators). Assuming 37.5 hours per week, this definition amounts to examining individuals whose hourly earnings were less than $10 per hour, the cut-off used in some previous studies.

The sample consisted of individuals aged 15 to 64, who were not full-time students, worked mainly full time, and received a wage or salary but no income from self-employment in the year prior to the census.

Recent immigrants arrived in Canada during the five years prior to the census reference year. **Mid-term immigrants** arrived 6 to 15 years before, and **long-term immigrants** more than 15 years before. For example, for the reference year 2000, recent immigrants arrived from 1995 to 1999, mid-term immigrants from 1985 to 1994, and long-term immigrants prior to 1985.

Unattached individuals live with others but are not related to them and do not share income with them (for example, boarders or roommates).

Low-income cut-offs (LICOs) are established using the Survey of Household Spending (or its predecessor, the Family Expenditure Survey). They are the income level at which a family spends 20 percentage points more than the average of its before-tax, after-transfer income on basic necessities. LICOs vary by family and community size. For example, in 2000, the LICO for a family of two living in a community of 500,000 or more was $22,964. For a family of seven or more in the same region, the LICO was $46,793.

Even though the average weekly earnings of low-paid workers fell by 8%, their annual earnings rose by 6%, suggesting that they were working more weeks (Table 6).[15] A decline of over $1,500 in average family earnings was dampened by an increase of almost $1,500 in other income and transfers. Thus, average economic family income of low-paid workers did not change significantly from 1980 to 2000, leading to no change in the 30% proportion of low-paid workers living in low-income families.[16]

Table 5: Average weekly earnings of low-paid workers living in low-income families

	Men		Women	
	1980	2000	1980	2000
		$		
Total	202	169	218	181
Education				
Less than high school	203	161	213	171
High school diploma	209	178	223	184
Postsecondary certificate	195	161	226	185
University degree	208	191	212	189
Age				
15 to 24	219	190	223	200
25 to 34	199	176	218	187
35 to 44	188	161	220	175
45 to 54	185	158	207	167
55 to 64	197	143	207	160
Immigrant status				
Recent	219	197	240	199
Mid-term	182	175	220	176
Long-term	169	161	212	170
Canadian-born	206	166	217	181
Visible minority				
Yes	212	182	233	183
No	202	166	217	180
Canadian-born				
Visible minority	189	161	235	176
Non visible minority	206	166	217	181
Recent immigrant				
Visible minority	227	201	243	201
Non visible minority	200	183	233	188
Mid-term immigrant				
Visible minority	200	179	224	177
Non visible minority	172	159	216	169
Long-term immigrant				
Visible minority	205	171	228	173
Non visible minority	167	151	211	166
Family status				
Married/common law	191	151	204	148
Lone fathers	207	169	...	...
Lone mothers	...	...	234	196
Living with relatives	211	161	217	181
Unattached individuals	220	208	224	216
Less than 40	222	211	226	220
40 and over	211	194	207	202
Living alone	213	188	228	198
Unmarried, living with parents	206	140	201	148
Disabled				
Yes	..	162	..	172
No	..	170	..	182

Source: Census of Population, 1981 and 2001
Shading indicates difference is not significant at the 5% level.

Table 6: Average income of low-paid workers by type of income

	1980	2000	Change
		$	%
Type of income			
Weekly earnings	251	231	-7.9
Individual annual earnings	9,500	10,100	6.3
Other earnings from EF*	29,500	27,900	-5.6
EF market income	2,500	2,900	14.1
EF government transfers	4,000	5,200	27.9
EF total income	45,700	46,100	1.0
Size-adjusted EF total income**	24,100	25,000	3.5

Source: Census of Population, 1981 and 2001
** Earnings from other members of the economic family (EF).*
*** Total income divided by the square root of family size.*
Shading indicates difference is not significant at the 5% level.

Summary

The proportion of low-paid workers among full-time employees has changed little over the last two decades (15% in 1980 and 16% in 2000), and the proportion of low-paid workers living in low-income families has remained at 30%. As a result, the percentage of full-time employees who were both receiving low pay and living in low income also remained unchanged at 5%.

Individuals most likely to have low weekly earnings were women, those with less than high school education, young adults, recent and mid-term immigrants in visible-minority groups, individuals living with relatives, lone mothers, unattached individuals under 40, and persons with a work limitation.

Those most at risk of receiving low pay and living in low-income families were young adults, recent and mid-term immigrants in visible-minority groups, lone mothers, and unattached individuals.

Between 1980 and 2000, average weekly earnings of low-paid workers decreased by 8%, while those of all full-time employees increased by 11%. However, the proportion of low-paid workers living in low-income families remained just under one-third.

Notes

1 In 1980, lone parents accounted for 3.6% of all full-time employees; in 2000, the proportion was 5.7%.

2 All comparisons in this article are statistically significant at the 5% level.

3 Changing family structure and responsibilities since 1980 may also have contributed to the increased proportion of men in low-paid jobs. Given their growing interest and involvement in child care, more men may be choosing jobs with more flexibility in hours over ones with better pay but requiring more hours (Marshall 1998). This, however, may be more likely among men with higher earnings who can afford a slight pay cut. In addition, since women are participating more in the labour force and are attaining higher-paying jobs, men may no longer be the major family earner.

4 In the late 1990s, the average master's or PhD graduate made twice the wages of people with less than high school education (Statistics Canada 1998).

5 This is consistent with other research indicating that the entry earnings of recent immigrant cohorts deteriorated in the last two decades (Frenette and Morissette 2003; Aydemir and Skuterud 2004).

6 However, this masks offsetting effects between men and women. Canadian-born visible minority men are more likely to receive low pay than Canadian-born, non-visible minority men. In contrast, Canadian-born visible minority women are less likely to receive low pay than Canadian-born non-visible minority women.

7 This agrees with other recent studies showing that visible-minority immigrants are more vulnerable to low earnings than other immigrants (Palameta 2004).

8 The increase in the incidence of low-paid workers among recent female immigrants who are members of a visible minority group is not significant at the 5% level.

9 The wording of the question was changed in the 2001 Census of Population from "Is this person limited in the kind or amount of activity that he/she can do because of a long-term physical condition, mental condition or health problem—a) at home, b) at school or at work, c) in other activities" to "Does a physical condition or mental condition or health problem reduce the amount or the kind of activity this person can do—a) at home, b) at work or at school, c) in other activities."

10 The majority of low-paid workers in this group are Canadian-born and not in a visible-minority group.

11 According to the 2001 Census, 44% of lone mothers who are employees worked in services (administrative and support; waste management and remediation; education; health care and social assistance; arts, entertainment and recreation; accommodation and food; and other).

12 Family income is defined as the pre-tax, post-transfer income of all family members. An unattached individual is treated as an economic family.

13 The decrease in risk for low-paid lone mothers and unattached women aged 40 and over was due to an increase in government transfers and a rise in annual earnings respectively.

14 The main reason for this was the substantial decline in spousal and other family members' earnings.

15 In 1980, full-time employees worked an average of 44 weeks, compared with 47 in 2000.

16 Little change occurred in the average size-adjusted family income of low-paid workers in low-income families, suggesting that the unchanging proportion of low-paid workers in low income did not mask any worsening of their economic conditions.

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